

Item Title: Approval of Funding Agreement for Triangle Aquatic Center Expansion Project

Specific Action Requested:

That the Board of Commissioners approves a funding agreement in the amount of \$1,250,000 with the Triangle Aquatic Center, subject to the terms and conditions acceptable to the County Attorney.

Item Summary:

Purpose: The Interlocal Agreement between Wake County and the City of Raleigh authorizes Wake County to distribute certain funds that support convention, sports, cultural or arts related capital investment. The Board is asked to approve a funding agreement with the Triangle Aquatic Center to provide \$1,250,000 in hospitality tax funds in support of the Aquatic Center's expansion.

Background: In October 2017, the Wake County Board of Commissioners authorized a competitive process to award up to \$3.6 million of Hospitality Tax Small Projects funds available to Wake County as a result of the Interlocal Agreements governing the Occupancy and Prepared Food and Beverage Tax Revenues. The Board of Commissioners received information regarding each project at their April and May 2018 Work Sessions. On May 21, 2018, the Board of Commissioners committed funding to five projects, including \$1,250,000 for the Triangle Aquatic Center's Expansion Project.

Board Goal: This action supports routine County business.

Fiscal Impact: Funding to support this request is available through the Major Facilities fund. This funding agreement is consistent with budgeted amounts.

Additional Information:

The Triangle Aquatic Center (TAC) originally submitted a funding request for \$1,500,000 to assist with construction of additional parking spaces, expand spectator seating, add administrative office and a fitness center and add a 50-meter outdoor pool. Due to funding constraints, the TAC was only awarded \$1,250,000 by the County. County staff have worked with the TAC to update the project proposal to address the new funding plan. The TAC plans amended its plan to reduce the parking expansion as a result of the IKEA withdrawal, but otherwise is moving forward with the project as originally scoped. The TAC has committed to ensuring full project funding through the Curran Family Foundation and bank loans.

County funding for the Triangle Aquatic Center Expansion Project will assist in the

construction of parking for a total of 200 spaces, expand spectator seating by 500 seats to a total seating capacity of 1,500, construct 4,000 square foot administrative office space and 12,000 square foot high performance fitness center and add a 50-meter outdoor pool. The aquatic center will continue to be owned and managed by Triangle Aquatics, a 501 (c)(3) nonprofit organization. To accommodate cash flow requests of the project leadership, the project has been divided into three phases and county funding will be provided at the beginning of each phase based on achievement of contingencies for each phase. The total project investment for the expansion project is \$8,743,160.

Staff has worked with representatives for the project and has developed a funding agreement for Board approval. The key terms of the funding agreement include:

- Provides funding for construction of parking, stadium seating, administrative and fitness center and outdoor 50-meter pool
- Funding to be provided in three phases based on achievement of conditions of funding for each phase.
- Sets project completion date of March 2021.
- Establishes project performance goals to track local and out of county visitors and special events.
- Performance goals expire upon achievement of goals or seven years.
- Defines repayment schedule if phases aren't completed or if facility ceases operation.

The Triangle Aquatic Center Board of Directors approved the agreement on October 25, 2018.

Attachments:

1. Funding Agreement